

HURRICANE MITCH RECONSTRUCTION UPDATE



USAID/Nicaragua Hurricane Mitch Reconstruction Program

(U.S. Millions of Dollars)	\$103.6
Public Health	30.6
Economic Reactivation	53.5
Disaster Mitigation	6.6
Education	4.5
Municipal Infrastructure	2.9
Transparency and Accountability	1.0
Food Aid	4.5



Departments of Nicaragua
Affected by Hurricane Mitch

MICROENTERPRISE PROGRAM HELPS SMALL BUSINESSES IN NUEVA SEGOVIA RECOVER

Mozonte, Nicaragua—Edgar Gomez never pauses as he spins his pottery wheel, expertly shaping wet clay into an oval shaped vase while he answers questions by a group of visitors to his shop. Gomez wants to be sure to keep up his quota of 50 pieces per week, which allows him to earn enough income to support his family, buy materials, pay two helpers and make his loan payment.

Gomez received a loan of \$226, (the fourth of a series of small loans), through the Development Foundation of Nueva Segovia, FUNDENUSE a financial institution participating in USAID's Hurricane Mitch Reconstruction microenterprise program.

USAID provided \$226,700 to FUNDENUSE through Katalysis Partnerships, a U.S. non-governmental



A series of loans from FUNDENUSE, financed by USAID, helped Edgar Gomez rebuild his pottery workshop after Hurricane Mitch.

organization, to help small entrepreneurs in the northern department of Nueva Segovia, affected by Hurricane Mitch, rebuild and expand their businesses. With the funding, FUNDENUSE was able to increase its loan portfolio with 1,037 additional clients, 68% of whom are women. Loans are granted to individuals or to "solidarity groups" of three to eight persons. Amounts range from \$40 up to \$2,300. Clients pay the loans back in three monthly installments plus interest according to the current market rate.

To qualify for a loan, applicants must have experience in a particular branch of business and must present an investment plan. In addition, under the Hurricane Mitch Reconstruction Program, recipients use their loans to rebuild damaged en-

(Continued on page 2)



Alba Maria Olivas bakes 1,500 pastries a day with ingredients purchased with a FUNDENUSE loan under USAID's Hurricane Mitch Reconstruction microenterprise program.

MICROENTERPRISE PROGRAM HELPS SMALL BUSINESSES

(Continued from page 1)

terprises.

Following Hurricane Mitch Edgar Gomez's business suffered after his pottery oven, materials and finished pottery pieces were destroyed. He was unable to work for two months after the hurricane. But not only his workshop was destroyed, Gomez also lost his house.

With the series of USAID-financed small loans from FUNDENUSE, Gomez was able to build a new oven and purchase materials, which has allowed him to restore and expand his pottery workshop and rebuild his home.

"My profits have actually increased with the loans. I can buy more materials and produce more pottery," said Gomez.

Another pottery maker in Mozote has also benefited from the loan program. Maria Marcelina Lopez made improvements to the small workshop, set up in the patio of her home, and purchased materials. Lopez makes between 10 and 12 clay flower pots a day, which allows her to support her family of seven. She belongs to a "solidarity group" of three women, who have received loans from the USAID program. Her neighbor, Albertina Albarenga, one of the partners, is a tortilla vendor. With her part of the loan, Albarenga buys ingredients that have enabled her to double the amount of tortillas she makes daily.

In the community of Toto-



Maria Marcelina Lopez belongs to a "solidarity group", sharing a USAID-funded FUNDENUSE loan with two other women.

galpa, Alba Maria Olivas also bakes for a living. Every day Olivas makes 1,500 pastries that she bakes in a stone oven in the patio of her home. With her USAID-funded loan, Olivas buys the flour and sugar she needs for her sweet rolls. Sell-

ing the pastry at about 4 cents a piece, Olivas is able to support her family of three and make the monthly loan payments. She also repaired the walls of her home, which had fallen or were damaged during Hurricane Mitch.

Along a bustling street, in the market place of Nueva Segovia's provincial capital of Ocotol, Rosa Emilia Acuña sells popular imported clothing and shoes. Acuña stocks her small stall with merchandise purchased with a USAID-sponsored FUNDENUSE loan. The loan helped her to recover economically after a drastic drop in sales in the months following Hurricane Mitch.

Now, by offering a wider variety of merchandise, Acuña's business is growing.



Rosa Emilia Acuña's business has grown after purchasing a variety of merchandise for her small store through the USAID microenterprise program.

With the series of USAID-financed small loans from FUNDENUSE, Edgar Gomez was able to build a new oven and purchase materials, which has allowed him to restore and expand his pottery workshop and rebuild his home.

"My profits have actually increased with the loans. I can buy more materials and produce more pottery," said Gomez.



USAID Nicaragua
De la Rotonda
Centroamerica,
400 metros abajo
Managua, Nicaragua
Tel: (505) 267-0502
Fax: (505) 278-3828
<http://www.usaid.org.ni>